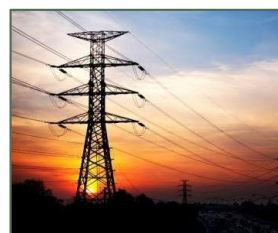


# **TSO Obligations under RfG, DC, HVDC and SOGL codes**

## **Consultation Paper**

01 October 2020



## About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Social; and Water. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

### Our Mission

Value and sustainability in energy and water.

### Our Vision

We will make a difference for consumers by listening, innovating and leading.

### Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

## Abstract

The purpose of this paper is to identify the obligations placed on the Transmission System Operators of Northern Ireland (Moyle Interconnector Limited (MIL), System Operator for Northern Ireland (SONI)) by the specific regulations within each of the network codes (RfG, DC, HVDC and SOGL).

Where more than one TSO exists within a member state there is a clause within each code, which allows Member States to provide responsibility to specific TSOs to comply with the code obligations.

## Audience

This document will be of interest to Transmission System Operators (TSOs) within the all-island market, market participants and other industry and statutory bodies.

## Consumer impact

These changes will have a no impact on consumer bills.

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## 1 Background and purpose of the Paper

- 1.1 Each of the network codes, RfG<sup>1</sup>, DC<sup>2</sup>, HVDC<sup>3</sup> and SOGL<sup>4</sup>, place multiple obligations on all TSOs within a member state. However, the regulations have a common provision for circumstances where more than one TSO exists within a member state.
- 1.2 This allows Member States to provide responsibility to specific TSOs to comply with the code obligations.
- 1.3 The RfG, DCC, HVDC & SOGL clause for multiple TSOs is as below:

“Member States may, under the national regulatory regime, provide that the responsibility of a TSO to comply with one or some or all obligations under this Regulation is assigned to one or more specific TSOs.”
- 1.4 The Department for the Economy has requested that the UR assess what obligations should apply to TSOs in Northern Ireland in accordance with the clause above in each code.
- 1.5 This paper sets out for consultation the UR’s minded to position on the TSO that should comply with each appropriate section of these four codes.

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<sup>1</sup> “COMMISSION REGULATION (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators”

<sup>2</sup> “COMMISSION REGULATION (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection”

<sup>3</sup> “COMMISSION REGULATION (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules”

<sup>4</sup> “COMMISSION REGULATION (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation”

## 2 Application of the Multiple TSO Clause

- 2.1 There are currently three TSOs within Northern Ireland, Moyle Interconnector Limited (MIL), System Operator for Northern Ireland (SONI) and Northern Ireland Electricity Networks (NIE Networks).
- 2.2 The UR believes that specific obligations should be assigned to specific TSOs as each TSO may be unable to comply with the code in certain circumstances.
- 2.3 Therefore in line with a process conducted by Ofgem in Great Britain, the UR will assign responsibilities between TSOs operating in Northern Ireland as per Articles within each of the separate codes.
- 2.4 It should be noted that we do not consider the multiple TSO clause above, requires us to decide how TSOs comply with obligations once assigned. The TSOs are best placed to determine the method of compliance within the code obligations.
- 2.5 Annex 1 provides the detail on our minded to position on assignment of SO roles and responsibilities for NIE Networks, SONI and MIL.

## 3 UR Minded to Decision

- 3.1 Our minded to decision on the assignment of TSO responsibilities is set out in annex 1. In arriving at this proposal the Utility Regulator has engaged with System Operators of Northern Ireland to provide information so that the UR can make informative decisions on TSO assignment and responsibilities.
- 3.2 We invite stakeholders to provide their views on our minded to decision and in addition provide views on the following questions:
  - Do you agree with the UR's application of the SO clause assigning obligations to the SOs operating within Northern Ireland as outlined in the Annex to the Consultation Paper?
  - Do you agree we have correctly identified the Articles of RfG, DC, HVDC and SOGL which place an obligation on TSOs?
  - How do you think the UR should determine future changes to the assignment of TSO obligations under the RfG, DC, HVDC and SOGL Regulation?

## 4 Next Steps

- 4.1 The UR recognise that the assignment of obligations under the RfG, DC, HVDV and SOGL regulations for TSOs in Northern Ireland may change over time. We expect TSOs to provide evidence as to why their obligations should change and to justify any such position in these circumstances.
- 4.2 Responses should be emailed to [Jody.OBoyle@uregni.gov.uk](mailto:Jody.OBoyle@uregni.gov.uk) and [Kenny.mcpartland@uregni.gov.uk](mailto:Kenny.mcpartland@uregni.gov.uk) by 5pm on 4th December 2020.

**Annex 1 – Suggested TSOs obligations under each code**